



June 25, 2019

Michael Martin
United States Department of Transportation
Office of Aviation Analysis
1200 New Jersey Ave SE
Washington, DC 20590

SkyWest Airlines' Essential Air Service Proposal for Marion, IL, Quincy, IL, and Cape Girardeau, MO.

Dear Mr. Martin:

Attached is SkyWest Airlines' proposal to provide air service from Marion, IL, Cape Girardeau, MO and Quincy, IL to Chicago O'Hare International Airport (ORD). SkyWest welcomes the opportunity to continue service in Quincy, IL and Cape Girardeau, MO while adding new service to Marion, IL. Our combination of safe and reliable aircraft, well-timed schedules, and access to one of the world's largest airline networks will provide passengers with quality air service and stimulate economic growth in the region.

As directed by the RFP, we will offer each community 12 round-trip nonstop flights per week for a two year term to (ORD). All flights will depart and arrive to facilitate seamless connections to United's large and diverse flight schedule in ORD which will make the service convenient for both business and leisure travelers. With more than 620 United or United Express departures per day at Chicago O'Hare International Airport to over 175 unique destinations, our proposal makes it easy to get to destinations across the country and around the world. All flights are subject to gate availability and don't have up line scheduling restrictions.

SkyWest believes this proposal provides the best overall option for air service in Marion, Quincy, and Cape Girardeau, with excellent connectivity at Chicago O'Hare International Airport.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Greg Atkin", written in a cursive style.

Greg Atkin
Managing Director – Market Development
SkyWest Airlines

About SkyWest Airlines

With over 13,000 aviation professionals operating nearly 2,400 daily flights, SkyWest Airlines connects millions of passengers each month to 258 destinations across North America. SkyWest operates in partnership with Alaska Airlines, American Airlines, Delta Air Lines, and United Airlines and has a fleet of 484 aircraft.

Headquartered in St. George, Utah, SkyWest's industry-leading workforce and excellent leadership team have consistently generated top tier operational reliability, setting the standard for excellence in the regional airline industry.



- Fortune World's Most Admired Companies 2019
- ATW *Regional Airline of the Year* three times
- Bombardier's top reliability award for the CRJ200 six times
- The FAA's AMT Employer Gold Award for Excellence multiple times

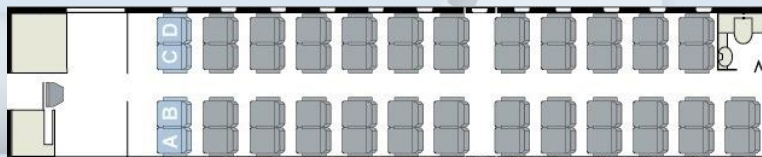


Critical Attributes of SkyWest's Proposal



50 Seat Twinjet Service

The CRJ-200 is a quiet and modern twinjet that is both safe and fast. All SkyWest CRJ200 aircraft are serviced by a highly-trained flight attendant and each plane features a restroom, further adding to the comfort and convenience of each passenger's flying experience. SkyWest operates 200 CRJ-200 aircraft and plans to keep this aircraft in our fleet for many years to come.



Superior Traffic Generation

SkyWest 50 seat jets provide the best opportunity for passenger growth. SkyWest service provides significantly higher seat capacity than other regional operators and delivers industry leading reliability. Passengers also benefit greatly from seamless connectivity to one the largest global airlines in the world.



Critical Attributes of SkyWest's Proposal



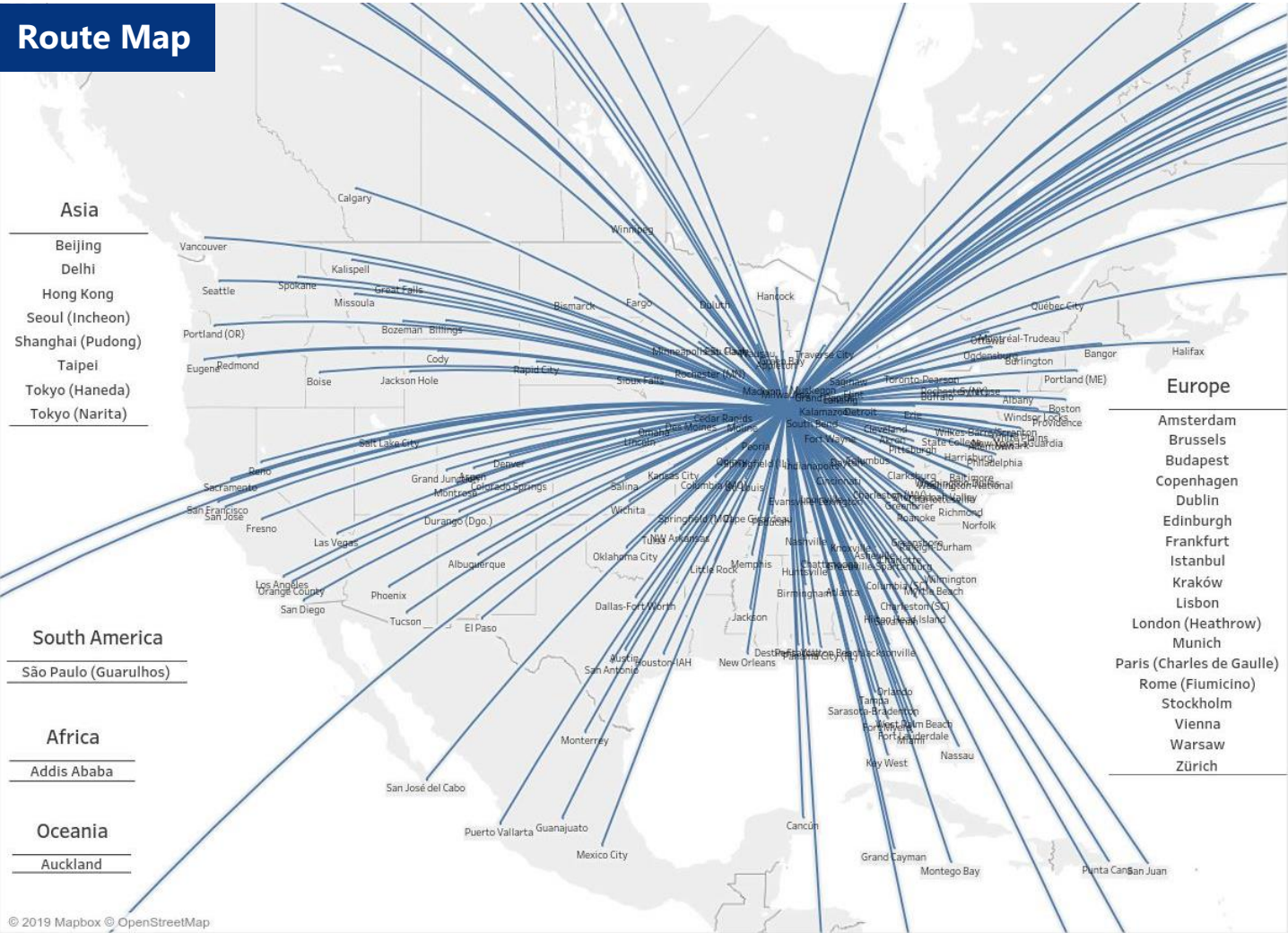
Superior Network and Connectivity

This service will be marketed as United Express and will feature seamless bookings, connections, and baggage transfers that will access United Airlines’ vast global network. This includes over 5,400 daily flights to more than 370 airports. United is also the largest member of the Star Alliance network, which allows travelers to connect to more than 22,000 daily flights to nearly all parts of the globe. This full codeshare and connectivity makes it simple for passengers to plan their travel and to effortlessly fly to their destination.



Superior Airports and Terminals

Chicago is among the largest cities in the country. In addition, it is also the chief hub for United Airlines. Flights will arrive and depart from United’s main terminal. This means passengers will not have to re-clear security or hop on a bus to make a connection.



Critical Attributes of SkyWest's Proposal



Superior Reliability

SkyWest has been named the most reliable CRJ-200 operator in North America five times since 2007. We have also been named the #1 On Time carrier for contiguous 48 states several times.



Subsidy Cap Compliant

All applicable SkyWest EAS communities are comfortably compliant with the DOT's \$200 per passenger subsidy cap. In Quincy, Marion, and Cape Girardeau our proposals are also well within compliance of the subsidy cap. It is likely that most other air service proposals will either be not compliant or dangerously close to non-compliance with the cap. Those proposals put air service in these communities in jeopardy. The SkyWest proposal will provide measurable assurance in complying with DOT regulations and ensuring that each community is well positioned for continued future air service.



Marketing Plan

SkyWest will actively market the service with a variety of promotions. We will dedicate \$20,000 to each community for marketing support. We advertise in print, digital, radio, online, and other means necessary. This effort will assist in generating awareness of the flight options offered.



EAS Bid

SkyWest Airlines Essential Air Service Bid 6/26/2019

	MWA ORD	CGI ORD	UIN ORD
Number of round trips per week	12	12	12
Aircraft type	CRJ	CRJ	CRJ
Passenger Revenue			
Passengers	27,000	25,000	21,000
Average fare	\$ 79.00	\$ 79.00	\$ 79.00
Revenue	\$ 2,133,000	\$ 1,975,000	\$ 1,659,000
Block Time			
Trip block time (minutes)	82	84	76
Total scheduled block time	1,706	1,747	1,581
Total completed block time	98% 1,671	1,712	1,549
RPMS			
Passengers	27,000	25,000	21,000
Stage length	297	339	222
Total RPMs	8,019,000	8,475,000	4,662,000
ASMs			
Scheduled departures	1,248	1,248	1,248
Competed departures	98% 1,223	1,223	1,223
Stage length	297	339	222
Available Seats	50	50	50
Total ASMs	18,532,800	21,153,600	13,852,800
Marketing Costs	\$ 20,000	\$ 20,000	\$ 20,000
Direct operating expenses	\$ 3,687,701	\$ 3,703,929	\$ 3,386,643
RPM related	\$ 110,680	\$ 102,482	\$ 86,085
Departure related	\$ 1,080,262	\$ 1,080,262	\$ 1,080,262
ASM related	\$ 172,726	\$ 197,152	\$ 129,108
Total expenses	\$ 5,071,369	\$ 5,103,824	\$ 4,702,098
Operating income (loss)	\$ (2,938,369)	\$ (3,128,824)	\$ (3,043,098)
5% profit margin	\$ 241,494	\$ 243,039	\$ 223,909
Annual subsidy requirement	\$ 3,179,862	\$ 3,371,863	\$ 3,267,007
Effective Subsidy rate per unit			
Subsidy per trip	\$ 2,600	\$ 2,757	\$ 2,671
Subsidy per passenger	\$ 118	\$ 135	\$ 156
Load factor	43%	40%	34%